

YOUNG CONAWAY STARGATT & TAYLOR, LLP
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*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

**UNITED STATES BANKRUPTCY COURT
THE SOUTHERN DISTRICT OF NEW YORK**

-----X	
In re:	: Chapter 11
	:
SEARS HOLDINGS CORPORATION, et al.,	: Case No. 18-23538 (RDD)
	:
Debtors.¹	: (Jointly Administered)
	:
-----X	

**NINTH MONTHLY FEE STATEMENT OF
YOUNG CONAWAY STARGATT & TAYLOR, LLP
FOR COMPENSATION FOR SERVICES RENDERED
AND REIMBURSEMENT OF EXPENSES INCURRED
AS CONFLICTS COUNSEL FOR THE DEBTORS FOR THE PERIOD
FROM JUNE 1, 2019 THROUGH JUNE 30, 2019**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

Name of Applicant:	Young Conaway Stargatt & Taylor, LLP
Authorized to Provide Professional Services to:	Conflicts Counsel for the Debtors
Date of Retention:	November 13, 2018, <i>nunc pro tunc</i> to October 15, 2018
Period for which compensation and reimbursement is sought:	June 1, 2019 through June 30, 2019
Monthly Fees Incurred:	\$7,516.00
20% Holdback:	\$1,503.20
Compensation Less 20% Holdback:	\$6,012.80
Monthly Expenses Incurred:	\$247.67
Total Fees and Expenses Due:	\$6,260.47
This is a:	<u> X </u> monthly <u> </u> interim <u> </u> final application

In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [ECF No. 796] (the “Interim Compensation Order”),² Young Conaway Stargatt & Taylor, LLP (“Young Conaway”) hereby submits this ninth monthly fee statement (the “Monthly Fee Statement”), seeking compensation for services rendered and reimbursement of expenses incurred as conflicts counsel to the Debtors for the period from June 1, 2019 through June 30, 2019 (the “Monthly Fee Period”). By this Monthly Fee Statement, Young Conaway seeks payment in the amount of \$6,260.47 which is comprised of (i) \$6,012.80 which represents eighty percent (80%) of the total amount of compensation sought for actual and necessary services rendered during the Monthly Fee Period, and (ii) reimbursement of \$247.67,

² Capitalized terms used herein but not otherwise defined herein have the meanings ascribed to them in the Interim Compensation Order.

which represents one hundred percent (100%) of actual and necessary expenses incurred in connection with such services.

Services Rendered and Expenses Incurred

1. Attached as Exhibit A is a summary of Young Conaway's professionals by individual, setting forth the (i) name, title, and department of each individual who provided services in connection with the Chapter 11 Cases during the Monthly Fee Period, (ii) aggregate hours spent by each individual, (iii) hourly billing rate for each such individual at Young Conaway's billing rates during the Monthly Fee Period, (iv) amount of fees earned by each Young Conaway professional, and (v) the number of years in practice for each attorney. The blended hourly billing rate of Young Conaway attorneys during the Monthly Fee Period is approximately **\$736.82**. The blended hourly rate of paralegals and other non-legal staff during the Monthly Fee Period is approximately **\$295.00**.

2. Attached as Exhibit B is a summary of the services rendered and compensation sought, by project category, for the Monthly Fee Period.

3. Attached as Exhibit C is a summary of expenses incurred and reimbursement sought, by expense type, for the Monthly Fee Period.

4. Attached as Exhibit D is itemized time detail of Young Conaway professionals for the Monthly Fee Period and summary materials related thereto. The description of the work done by counsel in the time detail may have been edited to protect the confidential and privileged nature of the work completed.

Notice and Objection Procedures

5. Notice of this Monthly Fee Statement shall be given by hand or overnight delivery or email where available upon (i) Sears Holdings Corporation, 3333 Beverly Road, Hoffman Estates, Illinois 60179, Attention: Rob Riecker (email: Rob.Riecker@searshc.com) and

Luke Valentino (email: Luke.Valentino@searshc.com); (ii) counsel to the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attention: Ray C. Schrock (email: ray.schrock@weil.com), Jacqueline Marcus (email: jacqueline.marcus@weil.com), Garrett A. Fail (email: garrett.fail@weil.com), and Sunny Singh (email: sunny.singh@weil.com); (iii) William K. Harrington, the United States Trustee, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attention: Paul Schwartzberg (e-mail: paul.schwartzberg@usdoj.gov) and Richard Morrissey (e-mail: richard.morrissey@usdoj.gov); (iv) Paul E. Harner, Ballard Spahr LLP, the independent fee examiner, 1675 Broadway 19th Floor, New York, NY 10019 (email: harnerp@ballardspahr.com); (v) counsel to the Official Committee of Unsecured Creditors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York, 10036, Attention: Philip C. Dublin (email: pdublin@akingump.com), Ira Dizengoff (email: idizengoff@akingump.com), and Sara Lynne Brauner (email: sbrauner@akingump.com); and (vi) counsel to Bank of America, N.A., Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, NY 10036, Attention: Paul D. Leake (email: paul.leake@skadden.com), Shana A. Elberg (email: shana.elberg@skadden.com) and George R. Howard (email: george.howard@skadden.com) (collectively, the “Notice Parties”).

Objections to this Monthly Fee Statement, if any, must be filed with the Court and served upon the Notice Parties so as to be received no later than **August 9, 2019** (the “Objection Deadline”), setting forth the nature of the objection and the amount of fees or expenses at issue (an “Objection”).

If no Objections to this Monthly Fee Statement are filed and served as set forth above, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the expenses identified herein.

If an Objection to this Monthly Fee Statement is received on or before the Objection Deadline, the Debtors shall withhold payment of that portion of this Monthly Fee Statement to which the Objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth above. To the extent such an Objection is not resolved, it shall be preserved and scheduled for consideration at the next interim fee application hearing to be heard by the Court.

Dated: July 26, 2019

/s/ Pauline K. Morgan
YOUNG CONAWAY STARGATT & TAYLOR, LLP
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Fax: (212) 332-8855
Pauline K. Morgan
Ryan M. Bartley
Travis Buchanan

*Counsel for the Debtors, Acting at the
Direction of the Restructuring Sub-Committee*

Exhibit A

Compensation by Professional

**SUMMARY OF MONTHLY FEE STATEMENT OF
YOUNG CONAWAY STARGATT & TAYLOR, LLP FOR
SERVICES RENDERED FOR THE PERIOD
FROM JUNE 1, 2019 THROUGH JUNE 30, 2019**

Name of Partners and Counsel	Title	Department	Date of First Admission	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Pauline K. Morgan	Partner	Bankruptcy	1987	975.00	3.40	3,315.00
Ryan M. Bartley	Partner	Bankruptcy	2007	625.00	3.50	2,187.50
Michael S. Neiburg	Partner	Bankruptcy	2009	600.00	2.00	1,200.00
Total Partners and Counsel:					8.90	6,702.50

Name of Associate	Title	Department	Date of First Admission	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Travis Buchanan	Associate	Bankruptcy	2011	530.00	.70	371.00
Total Associates/Law Clerks:					.70	371.00

Name of Paralegals and Other Non-Legal Staff	Title	Department	Hourly Billing Rate (\$)	Total Billed Hours	Total Compensation (\$)
Brenda Walters	Paralegal	Bankruptcy	295.00	1.50	442.50
Total Paralegals:				1.50	442.50

PROFESSIONALS	BLENDED RATE (\$)	TOTAL BILLED HOURS	TOTAL COMPENSATION (\$)
Partners and Counsel	753.09	8.90	6,702.50
Associates/Law Clerks	530.00	.70	371.00
Paralegals/Non-Legal Staff	295.00	1.50	442.50
Blended Attorney Rate	736.82		
Total Fees Incurred:		11.10	7,516.00

Exhibit B

Compensation by Task Code

**AGGREGATE TIME SUMMARY BY TASK CODE
FOR THE PERIOD FROM JUNE 1, 2019 THROUGH JUNE 30, 2019**

Project Category	Total Hours	Total Fees (\$)
Case Administration (B001)	.80	605.00
Court Hearings (B002)	2.50	1,638.50
Cash Collateral/DIP Financing (B003)	.20	195.00
Other Adversary Proceedings (B011)	5.20	3,327.50
Retention of Professionals/Fee Issues (B017)	1.70	1,067.50
Fee Application Preparation (B018)	.70	682.50
TOTAL	11.10	7,516.00

Exhibit C

Expense Summary

**AGGREGATE ITEMIZED DISBURSEMENTS
FOR THE PERIOD FROM JUNE 1, 2019 THROUGH JUNE 30, 2019**

Expenses Category	Total Expenses (\$)
Computerized Legal Research	220.57
Docket Retrieval/Search	13.70
Reproduction Charges	13.40
TOTAL	247.67

Exhibit D

Time Detail

YOUNG CONAWAY STARGATT & TAYLOR, LLP

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1000 NORTH KING STREET
WILMINGTON, DELAWARE 19801

P.O. BOX 391
WILMINGTON, DELAWARE 19899-0391

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Sears Holdings Corporation
333 Beverly Rd
c/o Alan Carr, Director
Hoffman Estates, IL 60178

Invoice Date:	July 16, 2019
Invoice Number:	50007124
Matter Number:	072902.1003

Re: Debtor Representation

CURRENT INVOICE

Professional Services	\$	7,516.00
Disbursements	\$	<u>247.67</u>
Total Due This Invoice	\$	7,763.67

Sears Holdings Corporation

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Invoice Date:

July 16, 2019

Invoice Number:

50007124

Matter Number:

072902.1003

Time Detail

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>	<u>Amount</u>
06/11/19	PMORG	Conferences with R. Bartley re: upcoming hearing, other case issues	B001	0.30	292.50
06/11/19	RBART	Conferences with P. Morgan re: status of various case admin issues, adversary proceeding, and June 20 hearing	B001	0.30	187.50
06/17/19	RBART	Brief review of materials regarding retiree committee dispute	B001	0.20	125.00
06/13/19	PMORG	Call with R. Bartley re: upcoming hearing	B002	0.10	97.50
06/13/19	RBART	Discussions with P. Morgan and T. Lii re: fee hearing	B002	0.10	62.50
06/14/19	PMORG	Call with R. Bartley re: upcoming Sears hearing	B002	0.10	97.50
06/17/19	PMORG	Calls with R. Bartley and R. Britton re: 6/20 hearing	B002	0.10	97.50
06/17/19	RBART	Calls with P. Morgan and T. Lii re: fee hearing	B002	0.10	62.50
06/19/19	BWALT	Email from/to R. Bartley re: material for June 20 fee hearing (.1); register R. Bartley for telephonic appearance (.2)	B002	0.30	88.50
06/20/19	PMORG	Review results of 6/20 hearing and summary of plan supplement with UCC	B002	0.20	195.00
06/20/19	RBART	Participate in omnibus hearing	B002	1.50	937.50
06/11/19	PMORG	Emails with M. Neiburg and C. Toto re: weekly carve-out reporting	B003	0.10	97.50
06/25/19	PMORG	Emails with YCST team and with C. Toto at Paul, Weiss re: weekly carve-out reporting	B003	0.10	97.50
06/04/19	MNEIB	Analysis re: proposed discovery plan (.2); emails with D. Giller and R. Bartley re: proposed discovery plan (.2)	B011	0.40	240.00
06/04/19	PMORG	Review proposed discovery plan	B011	0.10	97.50
06/04/19	TBUCH	Email correspondence with M. Neiburg re: Rule 26(f) discovery plan	B011	0.10	53.00
06/06/19	MNEIB	Emails with E. Hoyle, R. Bartley and J. Deal re: subpoenas and related issues	B011	0.20	120.00
06/06/19	RBART	Correspondence with M. Neiburg and E. Hoyle re: Rule 45 subpoenas	B011	0.10	62.50
06/07/19	BWALT	Update adversary docket	B011	0.20	59.00

Sears Holdings Corporation

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<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>	<u>Amount</u>
06/07/19	MNEIB	Email from R. Perio re: proposed discovery plan	B011	0.10	60.00
06/07/19	MNEIB	Call with P. Morgan re: subpoena issues (.1); emails re: same (.1)	B011	0.20	120.00
06/07/19	MNEIB	Emails and call with D. Giller and E. Hoyle re: subpoenas and related issues	B011	0.40	240.00
06/07/19	MNEIB	Review draft protective order and ESI protocol (.4); emails with D. Giller and YCST team re: same (.2)	B011	0.60	360.00
06/07/19	PMORG	Call and emails with M. Neiburg re: service of additional subpoenas	B011	0.10	97.50
06/07/19	PMORG	Review protective order and ESI stipulation	B011	0.20	195.00
06/07/19	RBART	Correspondence with M. Neiburg and Paul Weiss team re: Rule 45 discovery and targets	B011	0.20	125.00
06/07/19	TBUCH	Email correspondence from M. Neiburg re: protective order	B011	0.10	53.00
06/11/19	PMORG	Review revisions to discovery plan	B011	0.10	97.50
06/12/19	PMORG	Review revisions to discovery plan (2 versions)	B011	0.30	292.50
06/12/19	RBART	Call with M. Neiburg and correspondence with same and E. Hoyle re: Rule 45 subpoenas	B011	0.10	62.50
06/13/19	PMORG	Review further updates to Rule 26(f) discovery plan and emails regarding same	B011	0.20	195.00
06/13/19	RBART	Review draft discovery plan	B011	0.20	125.00
06/14/19	BWALT	Update and circulate adversary docket; review Rule 26 discovery report	B011	0.60	177.00
06/14/19	TBUCH	Review Rule 26(f) discovery report	B011	0.10	53.00
06/19/19	PMORG	Emails with M. Neiburg re: service of discovery subpoenas	B011	0.10	97.50
06/21/19	PMORG	Emails with R. Bartley re: UCC settlement and impact on adversary proceeding; Review upcoming discovery deadlines	B011	0.10	97.50
06/21/19	RBART	Call with R. Britton and follow up to YCST team re: status of adversary proceeding, upcoming deadlines	B011	0.30	187.50
06/27/19	MNEIB	Emails with E. Hoyle re: subpoena issues	B011	0.10	60.00

Sears Holdings Corporation

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<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>	<u>Amount</u>
06/18/19	PMORG	Review draft interim fee order prepared by Weil; emails with YCST team re: same	B017	0.20	195.00
06/18/19	RBART	Correspondence with T. Lii and P. Morgan re: fee hearing and fee order	B017	0.20	125.00
06/18/19	TBUCH	Review draft fee order	B017	0.20	106.00
06/19/19	BWALT	Email from/to P. Morgan, review omnibus fee order	B017	0.20	59.00
06/19/19	BWALT	Review docket re: objections to monthly fee statements, and email to. D. Willis	B017	0.20	59.00
06/19/19	PMORG	Review draft fee order; emails with V. Yiu re: inserts for YCST fees/expenses	B017	0.30	292.50
06/19/19	RBART	Correspondence with YCST and Paul Weiss re: fee hearing	B017	0.20	125.00
06/19/19	TBUCH	Research parties in interest re: potential supplemental disclosures	B017	0.10	53.00
06/20/19	TBUCH	Research parties in interest re: potential supplemental disclosures	B017	0.10	53.00
06/13/19	PMORG	Review May fee exhibits to ensure protection of privilege and compliance with local rules (.50); Emails with YCST team re: compensation for travel time under SDNY local rules (.10)	B018	0.60	585.00
06/27/19	PMORG	Review May fee statement for filing	B018	0.10	97.50
Total				11.10	\$7,516.00

Sears Holdings Corporation

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Invoice Number: 50007124

Matter Number: 072902.1003

Timekeeper Summary

<u>Initials</u>	<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
BWALT	Brenda Walters	Paralegal	1.50	295.00	442.50
MNEIB	Michael S. Neiburg	Partner	2.00	600.00	1,200.00
PMORG	Pauline K. Morgan	Partner	3.40	975.00	3,315.00
RBART	Ryan M. Bartley	Partner	3.50	625.00	2,187.50
TBUCH	Travis G. Buchanan	Associate	0.70	530.00	371.00
Total			11.10		\$7,516.00

Sears Holdings Corporation

Invoice Date:

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50007124

Matter Number:

072902.1003

Task Summary**Task Code:B001****Case Administration**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Pauline K. Morgan	Partner	0.30	975.00	292.50
Ryan M. Bartley	Partner	0.50	625.00	312.50
Total		0.80		605.00

Task Code:B002**Court Hearings**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Pauline K. Morgan	Partner	0.50	975.00	487.50
Ryan M. Bartley	Partner	1.70	625.00	1,062.50
Brenda Walters	Paralegal	0.30	295.00	88.50
Total		2.50		1,638.50

Task Code:B003**Cash Collateral/DIP Financing**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Pauline K. Morgan	Partner	0.20	975.00	195.00
Total		0.20		195.00

Task Code:B011**Other Adversary Proceedings**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Michael S. Neiburg	Partner	2.00	600.00	1,200.00
Pauline K. Morgan	Partner	1.20	975.00	1,170.00
Ryan M. Bartley	Partner	0.90	625.00	562.50
Travis G. Buchanan	Associate	0.30	530.00	159.00
Brenda Walters	Paralegal	0.80	295.00	236.00
Total		5.20		3,327.50

Task Code:B017**Retention of Professionals/Fee Issues**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Pauline K. Morgan	Partner	0.50	975.00	487.50
Ryan M. Bartley	Partner	0.40	625.00	250.00
Travis G. Buchanan	Associate	0.40	530.00	212.00
Brenda Walters	Paralegal	0.40	295.00	118.00
Total		1.70		1,067.50

Task Code:B018**Fee Application Preparation**

<u>Name</u>	<u>Timekeeper Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Pauline K. Morgan	Partner	0.70	975.00	682.50
Total		0.70		682.50

Sears Holdings Corporation

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Invoice Date:

July 16, 2019

Invoice Number:

50007124

Matter Number:

072902.1003

Cost Detail

<u>Date</u>	<u>Description</u>	<u>Quantity</u>	<u>Amount</u>
05/13/19	Docket Retrieval / Search	73.00	7.30
05/14/19	Docket Retrieval / Search	61.00	6.10
05/14/19	Computerized Legal Research	17.00	27.37
05/15/19	Docket Retrieval / Search	3.00	0.30
05/16/19	Computerized Legal Research	75.00	120.75
05/17/19	Computerized Legal Research	45.00	72.45
06/18/19	Reproduction Charges	6.00	0.60
06/19/19	Reproduction Charges	40.00	4.00
06/26/19	Reproduction Charges	26.00	2.60
06/27/19	Reproduction Charges	62.00	6.20
Total			\$247.67

Sears Holdings Corporation

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Matter Number: 072902.1003

Cost Summary

<u>Description</u>	<u>Amount</u>
Computerized Legal Research	220.57
Docket Retrieval / Search	13.70
Reproduction Charges	13.40
Total	\$247.67